

D R A F T

CSFD 12/15/79

*Revised by  
Decker and Stirm*

Confidential Memorandum

December 1979

For: Ed Jacob

(*Con-  
Week  
12/15/79*)

I have given a great deal of thought to our recent conversation regarding the possible need to reorganize the Division in some fashion so that I will not be "squeezed as though in a nutcracker," as you put it, between C.T.R. and the computer committee of lawyers.

As I understand the current organizational structure, C.T.R. is supposed to handle broad administrative matters, the lawyers are supposed to establish broad goals and priorities, and I am supposed to translate the broad goals and priorities into specific actions in a cost-effective manner. Of course, the industry pays all costs for all parties.

I agree that there may be a need for some type of change in the definitions of responsibility, but I do not believe that a problem results from cross currents between C.T.R. and the lawyers. Indeed, C.T.R. successfully handles a number of the Division's business matters, including the administration of our funds, payroll, taxes, health and insurance benefits, pension plan, monthly and annual audits, etc., and C.T.R. management has always stated, without reservation or hesitation, that they really have nothing to do with our operation otherwise, since this is the lawyers' responsibility. There are a few areas where I believe C.T.R. should increase its influence, such as in establishing policy guidelines for certain personnel matters (for example, dealing with absenteeism due to illness or disability and interpreting labor laws in connection with certain disabilities) and in such matters as lending assistance when we were seeking new office space and negotiating a lease. But overall, I believe that C.T.R. does a very good job in their assigned role.

I must admit, however, that situations sometimes arise at the Division that are rather frustrating and difficult to deal with, but these situations generally result from problems originating with the lawyers, not with C.T.R. Such problems have been very apparent in a number of areas, such as the circumstances in connection with the Division's move to new quarters, when

the lawyers seriously hampered our progress, perhaps because of inexperience, lack of interest or lack of attention. (As an aside, I was very miffed personally, since no one ever thanked us or even acknowledged our efforts in the short-term subleasing of our former quarters, saving the industry approximately \$16,000<sup>in out-of-pocket expenses. And no one even mentioned</sup> our huge success in selecting our present quarters and negotiating a lease, saving the industry more than \$1,000,000 over the ten-year lease period.)

There are numerous other examples of problems originating with the attorneys that adversely effect our operation and make our job much more difficult. I am prepared to discuss these matters in private, if you wish, and to supply detailed documentation to support my observations.

I believe that the overall problem in terms of the organization mainly relates to two areas: 1) the fact that the lawyers do not give enough time or attention to the Division, and 2) some lawyers "wear too many hats," a situation which occasionally results in confusion regarding my role and the Division's operational goals. Regarding the latter, consider your firm's role. Jacob & Medinger is all of the following: a user, counsel to certain tobacco companies and to certain of their organizations, and counsel to C.T.R., and, therefore, to the Division as well. In addition, you personally<sup>are chairman of the computer committee and also are the person who evaluates my performance and establishes my compensation, even though I report formally to the C.T.R. president.</sup> Or consider Shook, Hardy & Bacon, who are users and counsel to T.I. and to certain tobacco companies, including one that became a contributor only recently. Or consider Frank Colby, who serves as a consultant to the computer committee, establishes guidelines for abstracting/indexing and certain other activities, represents his company in order to protect its investment and also participates in a wide variety of national and international industry projects.

I believe that the industry would be served best by the appointment of one or more attorneys to supplement the current organization in order to oversee the Division's activities on a regular, more frequent basis. This is especially true at this time, since we are about to alter and improve the System in a major fashion. This attorney, (or group of attorneys), would have to have the time available and would need the following credentials:

1. A basic understanding of the industry's objectives in connection with the operation of the Division.
2. A basic understanding of Information Storage & Retrieval Systems, including our System and its current and future design and goals.
3. A basic knowledge of management principles, systems flow concepts, computer processing, data base management, and biomedical science.

Ideally, this individual should have primary responsibility for communicating with the computer committee, bridging the gap between the legal group and the technical details of the Division, and for evaluating our performance.

I believe the individual who meets most of these job requirements is Frank Decker, and I heartily recommend his appointment. I have worked with him over the years on a number of occasions, beginning in the days when the System was located in Philadelphia. He was instrumental in introducing a number of design concepts at the outset, and thereafter. Recently, I had an opportunity to work closely with him again, and I was impressed with his enthusiasm and keen interest and his knowledge and understanding of both the Division's current operation and our proposed system improvements. In addition, his firm represents a very small industry interest, which should tend to reduce any chance of confusion regarding my role or the Division's operating goals. Finally, he and I get along well, he is readily available most of the time, and his communication is direct and responsive.

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